

dit keys



25X1

State Department
review completed



25X1

CENTRAL INTELLIGENCE AGENCY
9 November 1973

INTELLIGENCE MEMORANDUM

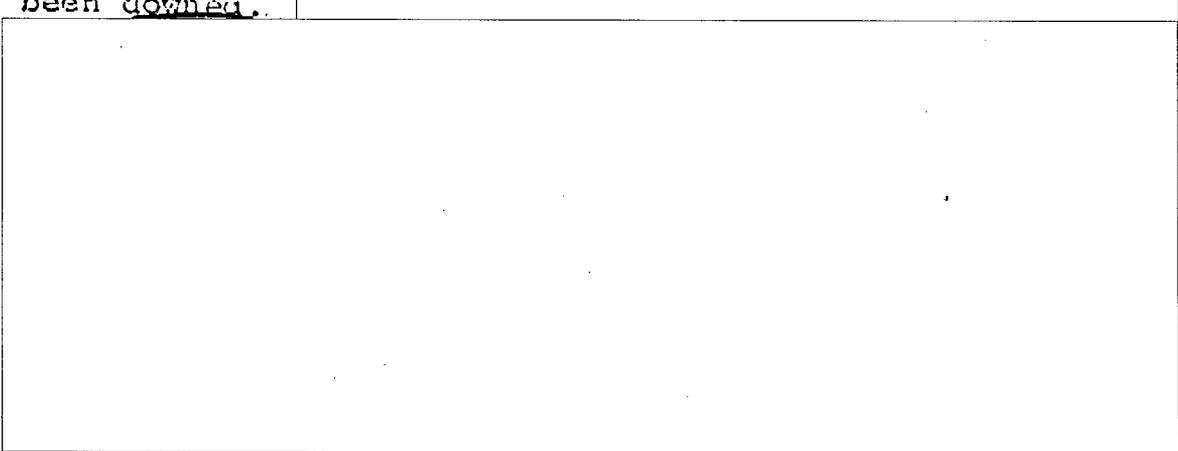
MIDDLE EAST

Situation Report Number 113
(as of 0630 EST)

THE MILITARY SITUATION

(All times cited in military paragraphs are
Cairo/Tel Aviv time, unless otherwise specified.)

1. An Israeli observer on the east bank of the
Suez Canal, opposite Ismailia, reported that the Egyp-
tians had fired SAMs at an Israeli reconnaissance air-
craft this morning. One aircraft was said to have
been downed.



25X1

25X1

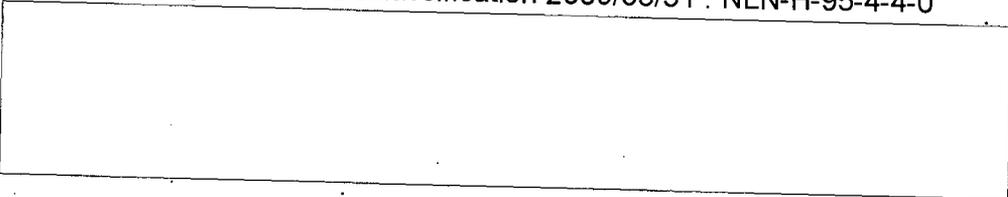


25X1

3. The Israelis apparently are concentrating on reconnaissance missions along their front lines for close observation of the Arab force dispositions. The Israelis have stated that they do not intend to be taken by surprise a second time in case the war breaks out again. As an apparent result of these missions, an Israeli military spokesman stated yesterday that Egyptian armored units west of the Israeli enclave on the west bank of the canal had moved closer to the Israeli lines. The Israelis claim that the Egyptians have some 600 tanks in this area.

4. Other than the reported shoot-down this morning, the situation has been relatively quiet with few violations announced by either side. Those violations reported appear to be local in nature and apparently consist of small unit movements or patrol actions by opposing forces. The Israelis threatened to fire on Egyptian forces building a fence in an area south of Suez while the Egyptians are claiming that the Israelis are forcing civilians to leave the Israeli enclave on the west bank. The Syrians reported Israeli advances of 1.5 to 2 kilometers in two areas opposite their cease-fire lines on the Syrian front and threatened to open fire unless the Israelis pulled back. In both these instances, however, the reported advances put the Israelis only into the no-man's land between the lines not into Syrian positions.

5. According to the Israelis, the Strait of Gubal at the southern entrance to the Gulf of Suez has not been cleared of Egyptian mines. The Israeli chartered tanker Sirius was severely damaged on 25 October and is now reportedly awash in the area of the Strait. The minefield is said to consist of some 30 acoustic mines of Soviet manufacture. The Israelis reportedly are not considering any mine clearing operations in the Strait. Despite the apparent hazard, three tankers reportedly have transited from Abu Rudeis to Eilat since the war began.



25X1

SOVIETS IN EGYPT?

6. A US Interests Section in Cairo [redacted] reports that special security measures were to be taken in the Cairo West airfield area where [redacted] had been informed, 2,000 Soviet military personnel and 250 tanks of the "latest type" had arrived. One half of the personnel were said to be tank crews and the rest technical and administrative support.

25X1

25X1

7. [redacted] also stated that about 16/17 October, 39 SSMs and their crews and equipment had arrived in Egypt. The missiles were said to have a range of 360 kilometers and were stationed in the delta near Mansura and Sharkiyya Province.

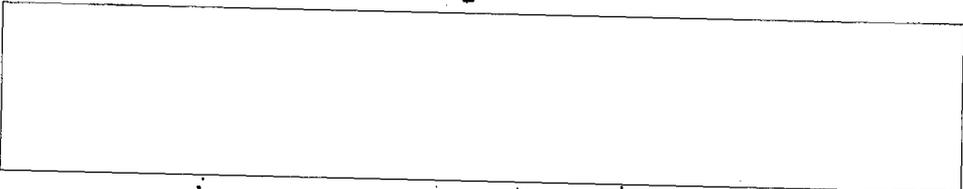
25X1

ARAB OIL CUTBACKS

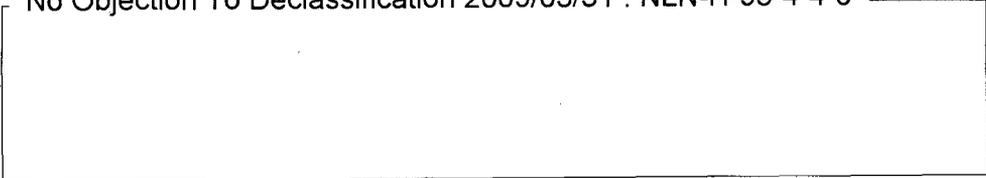
8. The Arab oil ministers' decision on 4 November to make a 25-percent cutback in oil production would create an export shortfall of some 5.8 million barrels per day (b/d) by the end of 1973 if adhered to by all participants. This shortfall is nearly 29% of the average production in September.

9. The loss to the consuming countries is even greater than the cutback figures indicate, however, because of the expected substantial increases in production. Before the war started, it was estimated that average December production would reach nearly 22 million b/d. Thus, the real loss to consumers by the end of the year would reach more than 7.5 million b/d--down some 35% from September levels.

10. Saudi Arabia and Kuwait, which account for 60% of Arab oil exports, had already cut production by about 25%. Thus, the new formulation strengthens King Faysal's leadership role by committing the other producers to match his cutback. Libya had only made a symbolic cutback and Algeria, IRAQ, AND Abu Dhabi had not cut production.



25X1



who says?

11. Iraq, as it did in October, refused to sign the new agreement. Libya and Algeria continued to (argue for moderation) and it is doubtful that they will fully implement it. Abu Dhabi has signed.

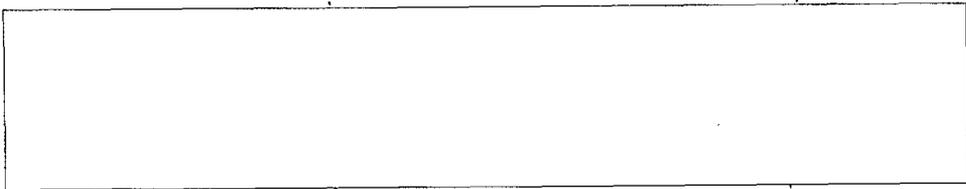
12. The new agreement also strengthens the policy of selective treatment of consumers. Turkey, Brazil, and the large number of African states that have broken relations with Israel, were added to the list of friendly countries who will receive oil equal to their average imports during the first nine months of this year. ~~France, the UK, Spain, and a number of Muslim states were already on this list.~~ The US and the Netherlands have been joined by Portugal and South Africa on the embargoed list.

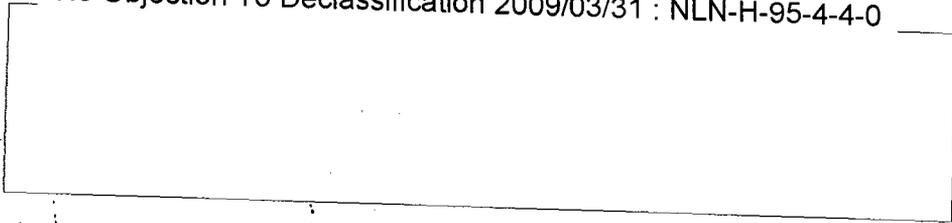
13. Countries not on either list will lose a larger share of their Arab imports than the production cutback percentage, because of the volumes required to supply the favored group. All countries will lose any expected increases in imports. Although the US is not affected by these new cuts--its Arab imports were totally embargoed earlier--the US import shortfall will increase to some 2.5 million b/d, including about 500,000 b/d from the expected increase in imports during the winter months.

SINGAPORE BANNS OIL SHIPMENT TO US MILITARY

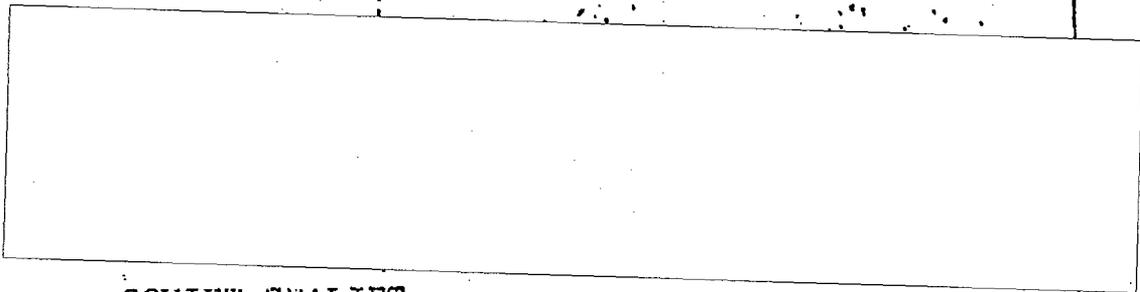
14. Feearing an oil embargo by Arab states, the government of Singapore yesterday ordered ESSO to terminate all fuel shipments from their Singapore refinery to US military installations in Southeast Asia and Guam. The ESSO representative who announced this development says that Singapore has also banned the bunkering of US naval ships.

X





25X1



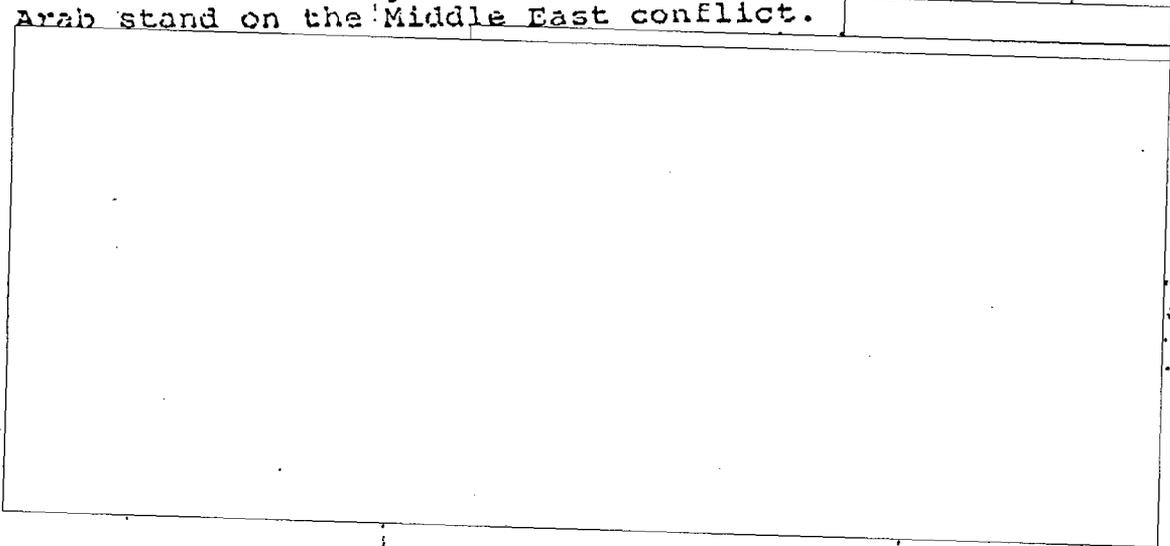
25X1

SOVIET SEALIFT

17. No new ships have entered the sealift. Since 7 October 40 Soviet ships have carried some 93,000 tons of suspect military cargo to Middle East ports.

LIBYA-WEST GERMANY

18. Libya apparently has backed down from a threat to cut off oil deliveries to West Germany unless the Brandt government adopted a more pro-Arab stand on the Middle East conflict.



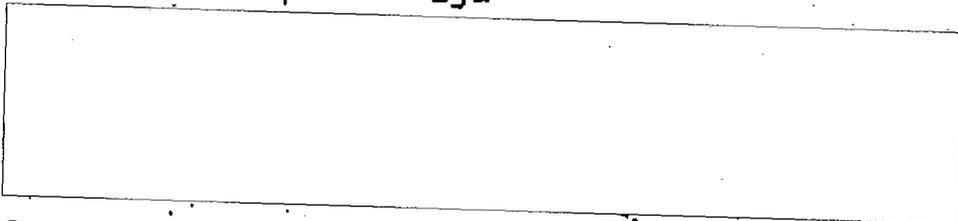
25X1

25X1

25X1

SAUDI OIL POLICY UNCHANGED

19. Press reports from Jidda, citing US official sources, indicate that Saudi Arabia appreciates the



25X1

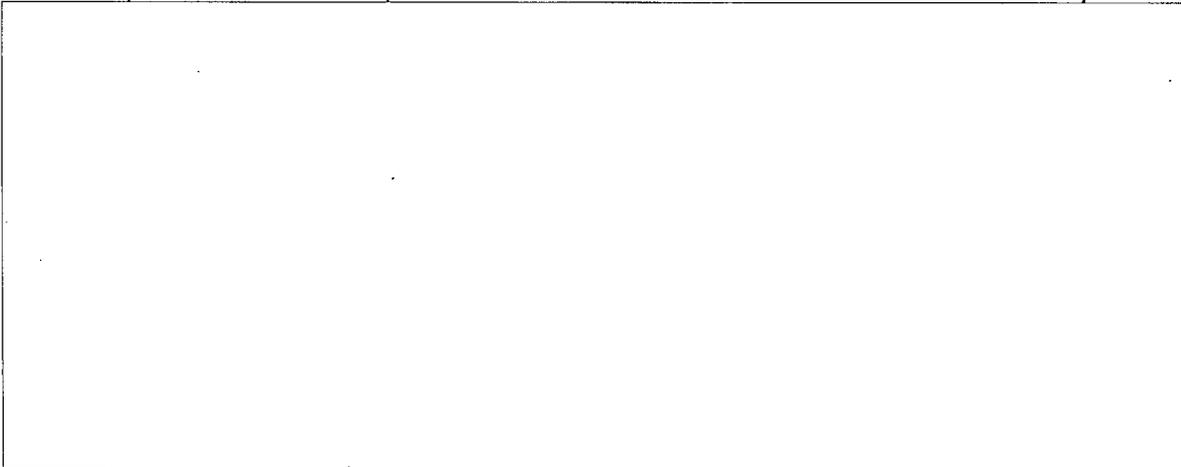
US mediatory role in Egyptian-Israeli negotiations, but will maintain the oil embargo until Israel completed its pull-back to pre-1967 boundaries.

ARAB SUMMIT.

20. The Algerian ambassador in Beirut told US officials yesterday that President Boumediene had persuaded Arab heads of state to participate in a summit conference to be held in Algiers probably on 11 or 12 November. According to the Algerian diplomat, Yasir Arafat and others will represent the PLO. Iraq reportedly has agreed to participate in the summit, but President Dakr will not attend. Despite his confident assertions, the Algerian gave the impression that attendance at the conference is not as firm as the Algerians would like.

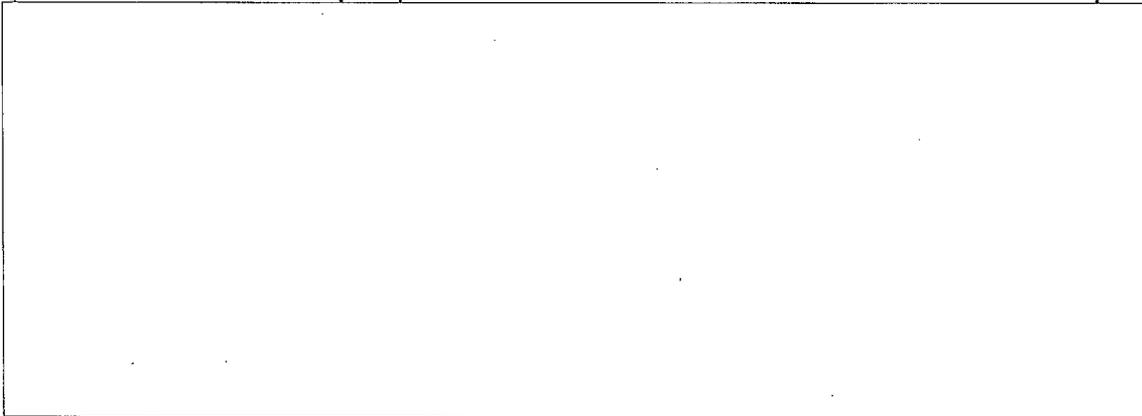
25X1

FEDAYEEN

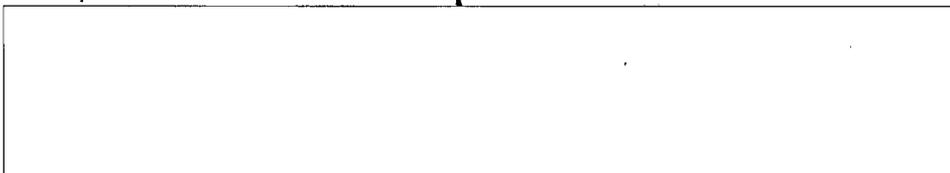


25X1

24. An Iraqi newspaper carried an editorial today--rebroadcast on Baghdad radio--that indirectly criticizes those Arab states which are ready to enter negotiations without regard to Palestinian territorial demands. Citing "official Arab quarters" which insist that only the Palestinians can speak for the Palestinian cause, the newspaper notes that these quarters--read Egypt, Jordan, and Lebanon--use the Palestinians only when this suits their interests and turn on them when the Palestinians "try to progress toward recovering their rights by the methods they deem fit."



25X1



25X1

Page Denied